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SUBJECT: FUNCINPEC LEADER LEAVES COUNTRY, MANY QUESTIONS
UNANSWERED

11. (C) Summary. FUNCINPEC leader Prince Norodom Ranariddh left Phnom Penh for Paris on March 14, having appointed Prince Norodom Sirivudh, his half brother and the party's Secretary General, to act as the interim party leader in his

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absence. The Prince departed the country in the wake of further accusations of fiscal malfeasance, nepotism and corruption levied against FUNCINPEC and Ranariddh specifically by PM Hun Sen. Ranariddh withdrew Princess Norodom Vacheara's name as the FUNCINPEC candidate for second Vice President of the National Assembly, substituting instead You Hockry -- presumably a more acceptable choice to the CPP.

One SRP official offered that Hun Sen and the CPP are trying to maintain the facade of a royalist party, while seeking to ensure that FUNCINPEC officials with pro-CPP leanings are placed in senior positions within the party. Princess Vacheara, FUNCINPEC MP and sister of Norodom Sirivudh, believes that Ranariddh and other FUNCINPEC leaders are preoccupied with their own political futures and appeasing the CPP instead of planning for the future of the party. End Summary.

Ranariddh Goes to Paris

12. (SBU) When FUNCINPEC leader and National Assembly President Prince Ranariddh announced on March 3 that he would step down as National Assembly leader so that he could spend more time working on strengthening FUNCINPEC, he complained that his duties as National Assembly President required him to spend too much time traveling abroad. Yet on the evening on March 14, the FUNCINPEC leader unexpectedly boarded a plane to France, where he is said to have teaching responsibilities. FUNCINPEC officials are unsure when their party leader will return. Ranariddh's departure comes after a week of blistering remarks and continued criticism of the embattled FUNCINPEC leader by Prime Minister Hun Sen, as well as rare public in-fighting by some senior FUNCINPEC officials.

13. (SBU) On March 8, National Assembly officials said that Ranariddh's 104 advisors would lose their posts following the Prince's resignation as President. CPP member Cheam Yeap, said that the legislature's staff budget for Ranariddh and the two Vice Presidents was for 90 positions, which Ranariddh himself exceeded. Heng Samrin and Nguon Nhel -- the first and second Vice Presidents, respectively, reportedly have between 30-40 staff members each. In addressing the costs of the inflated personnel rolls, Cheam Yeap quipped to reporters that Prince Ranariddh had a bigger heart and more sympathy for his followers, which is why he gave out more positions. A few days later, Hun Sen rebuked Ranariddh for continuing to

tell followers that the selection of village chiefs would follow a 70/30 percent split between the CPP and FUNCINPEC, which the two parties had agreed to in December 2005. Hun Sen said on March 13 during a trip to Pursat province that the quota system was finished and that if communal councils elected opposition Sam Rainsy Party (SRP) candidates as village chiefs, then so be it. On March 12, Ranariddh had told FUNCINPEC officials in Kandal Province that the 70/30 formula would still hold, and to prepare lists of FUNCINPEC candidates to receive appointments.

14. (SBU) The most strident remarks from the PM against his former ruling coalition partner came on March 14, when Hun Sen accused Ranariddh of financial impropriety in conjunction with the Cambodian National Olympic Committee, of which Ranariddh is the head. The PM announced that Cambodia would not host the Southeast Asian (SEA) games in 2011 and ordered the National Olympic Committee to prepare an audit of its expenses during the 2005 SEA games held in the Philippines. Hun Sen accused Ranariddh and his entourage of inflated expense accounts and unnecessary costs associated with Cambodia's participation. The PM warned the Ministry of Economics and Finance to withhold future funding of the Committee's activities for the time being, and said he would fire Finance Minister Keat Chhun and MEF Secretary of State Kong Vibol if they give funds to the Committee in violation of the PM's orders. (Note: There are rumors that one reason Ranariddh left the country was to avoid possible legal action against him in connection with the Olympic Committee finances. End Note.

Prince Chakrapong Receives Bill from RGC for USD 1.36 Million

15. (U) On March 14, the Ministry of Economics and Finance billed Prince Norodom Chakrapong for USD 1.36 million in unpaid taxes and expenses incurred by Royal Phnom Penh

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Airlines, a bankrupt private Cambodian airline company of which Chakrapong was Chairman. The money owed has been outstanding for five years, according to the MEF and press reports. SRP official Son Chhay indicated that the timing of the renewed call by the government for payment of the debt smacks of politics and interference into Ranariddh's nomination of Chakrapong as Secretary General of FUNCINPEC. Chakrapong has since withdrawn his nomination as SG of the party following a meeting of senior FUNCINPEC officials, according to You Hockry, FUNCINPEC MP. In the meantime, Nhek Bun Chhay, recently dismissed Co-Minister of Defense, has put forward his name as a candidate for the Secretary General position, saying that Chakrapong was ill suited for the position based on the Prince's questionable loyalty to the party.

16. (SBU) Nhek Bun Chhay's public announcement on March 11 that he would be a preferable candidate for the Secretary General position led to a call from Prince Ranariddh for party unity and an end to intraparty bickering. While there was a good deal of private discontent among FUNCINPEC members over Chakrapong's appointment by Ranariddh, senior members of the party had kept their discussions on the topic private and out of the media. Nhek Bun Chhay's public complaints in the press prompted observers in FUNCINPEC as well as the SRP to speculate that the CPP was behind Nhek Bun Chhay's remarks in order to further embarrass Ranariddh and divide the party. Nhek Bun Chhay accused Chakrapong of being disloyal to FUNCINPEC, but others have equally questioned Nhek Bun Chhay's loyalty, and see him as close ally of Hun Sen.

National Assembly Second VP Nomination

17. (SBU) Early in the week, SRP MP Son Chhay told us that You Hockry came to the National Assembly with a letter from Prince Ranariddh naming You Hockry as the FUNCINPEC candidate

for the position of Second Vice President. Ranariddh had earlier nominated Princess Norodom Vacheara to the post. Son Chhay said that acting President Heng Samrin showed copies of both letters to Sam Rainsy and Son Chhay, noting that the dual letters were yet another indication of the weak leadership and indecision within FUNCINPEC. After several hours, Ranariddh withdrew the nomination of Princess Vacheara, who frankly told the press that You Hockry likely represented a preferable candidate to the CPP.

18. (C) In discussing FUNCINPEC's image with Princess Vacheara, the FUNCINPEC official told Pol/Econ Chief that Ranariddh chose to (literally) run away from the bad press and his problems with Hun Sen. When asked why FUNCINPEC was not mounting a media counterattack against the CPP, Vacheara said that Ranariddh told senior party officials that they should not respond to the attacks. Ranariddh reportedly explained that at some point, Hun Sen will tire of his new-found friend Sam Rainsy and will once again seek a strong alliance with FUNCINPEC. If FUNCINPEC does nothing at this time, it will be easier to regain the cooperation of CPP in the governing coalition. Vacheara agreed with the analysis of some observers that CPP is seeking to gain influence within FUNCINPEC through some of the party's senior officials. She lamented that Ranariddh and others seem to only think of their own political futures and retaining their positions rather than focusing on the future of the party. She argued that FUNCINPEC would do well to rethink the focus on the CPP and look towards the SRP for future collaboration. She noted that the CPP only wishes to use FUNCINPEC against the SRP and vice versa; democratically-minded politicians in both parties should resist being pawns in the CPP game. With the 50 plus one formula, Vacheara would prefer a resurrection of the old Alliance of Democrats to face off against the CPP in the future. (Note: Vacheara was one of the FUNCINPEC officials who pushed for the AD. End Note.)

Comment

19. (C) Each day seems to bring more bad news for FUNCINPEC, and its officials seem to be running for cover or doing their best to appease the CPP rather than squarely facing the party's image problems. We agree with Princess Vacheara's comments and those of other observers who see FUNCINPEC being manipulated by the CPP. We also note that Ranariddh's naming of Prince Sirivudh to lead the party in his absence was a significant departure from past practice. No matter where Ranariddh traveled or for how long, he always retained authority over party decisions and did not entrust management of the party to Sirivudh or any other FUNCINPEC official.

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End Comment.
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